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10 Attorneys for Defendant  
11 Loop Industries, Inc.

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
13 FOR THE COUNTY OF LOS ANGELES

14 HENRY LORIN, an individual; and PAUL M.  
15 CUGNO, an individual,

16 Plaintiffs,

17 v.

18 LOOP INDUSTRIES, INC., a Nevada  
19 corporation; LOOP HOLDINGS, INC., a  
20 Nevada corporation; and DANIEL  
21 SOLOMITA, an individual,

22 Defendants.

Case No. BC648640  
(Assigned to Hon. Gregory Alarcon;  
Dept. 36)

**LOOP INDUSTRIES, INC.'S ANSWER  
TO FIRST AMENDED COMPLAINT**

Complaint Filed: January 27, 2017  
First Amended Complaint Filed: February  
7, 2017

**FILED**  
Superior Court of California  
County of Los Angeles

**JUN 07 2017**

Sherri R. Carter, Executive Officer/Clerk

By Strahma-Edison Deputy

CIT/CASE: BC648640  
LEA/DEF#:

RECEIPT #: CCH465980092  
DATE PAID: 06/07/17 02:33 PM  
PAYMENT: \$435.00 310  
RECEIVED:  
CHECK: \$435.00  
CASH: \$0.00  
CHANGE: \$0.00  
CARD: \$0.00

**ORIGINAL**

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Defendant Loop Industries, Inc. ("Loop Industries") answers the First Amended Complaint ("Complaint") of plaintiffs Henry Lorin and Paul M. Cugno ("Plaintiffs"), as follows:

**GENERAL DENIAL**

Pursuant to Code of Civil Procedure section 431.30(d), Loop Industries denies generally each and every allegation of the Complaint. Loop Industries further denies that Plaintiffs have been damaged in any amount at all by reason of any act or purported omission on the part of Loop Industries or any of Loop Industries' agents, employees or representatives. Loop Industries further denies that Plaintiffs are entitled to general, compensatory, punitive or other damages in any amount reason of any act or purported omission on the part of Loop Industries or any of Loop Industries' agents, employees or representatives.

**AFFIRMATIVE DEFENSES**

**FIRST AFFIRMATIVE DEFENSE**

(Failure to State a Claim)

The Complaint fails to state a claim upon which relief may be granted. The Complaint fails to adequately describe the material terms of the purported contract.

**SECOND AFFIRMATIVE DEFENSE**

(Ambiguity and Additional Defenses)

The Complaint does not clearly state the amount or issues in this case, rendering it difficult for Loop Industries to respond. Loop Industries requests that the Court grant leave to amend this Answer to allow additional defenses once the substance of Plaintiffs' allegations are completely disclosed to Loop Industries, that will allow Loop Industries to fully identify its defenses.

**THIRD AFFIRMATIVE DEFENSE**

(Lack of Privity or Adoption)

No contractual relationship or agreement exists between the Plaintiffs and Loop

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1 Industries. Loop Industries also did not adopt the purported agreement alleged in the Complaint.

2 **FOURTH AFFIRMATIVE DEFENSE**

3 (No Contract)

4 No contract was formed between the Plaintiffs and any of the parties alleged in the  
5 Complaint.

6  
7 **FIFTH AFFIRMATIVE DEFENSE**

8 (Indefinite Alleged Contract)

9 Plaintiffs' purported claims are barred because the alleged agreement is indefinite,  
10 including in that it: 1) does not allow the court "to ascertain the parties' obligations and to  
11 determine whether those obligations have been performed or breached"; (2) is not "definite  
12 enough that a court can determine the scope of the duty" and the "limits of performance" are not  
13 "sufficiently defined to provide a rational basis for the assessment of damages"; (3) does not  
14 allow ascertainment of "the intention of the parties in material particulars"; and (4) does not  
15 "provide a basis for determining the existence of a breach and for giving an appropriate remedy."  
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18 **SIXTH AFFIRMATIVE DEFENSE**

19 (Statute of Frauds)

20 The purported contract alleged by Plaintiffs is unenforceable because it would have been  
21 required to be in writing under the applicable statute of frauds, including New York General  
22 Obligations Law § 5-701(10).  
23

24 **SEVENTH AFFIRMATIVE DEFENSE**

25 (Illegality)

26 The purported contract alleged by Plaintiffs is unenforceable because it would constitute  
27 an illegal contract, including under the Securities Exchange Act of 1934 and related statutes and  
28 regulations.

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**EIGHTH AFFIRMATIVE DEFENSE**

(Plaintiffs' Failure to Perform)

Plaintiffs' purported claims are barred because Plaintiffs failed to perform the alleged agreement on which they allegedly base their claims.

**NINTH AFFIRMATIVE DEFENSE**

(Waiver)

Plaintiffs, through their conduct, acts and omissions, have waived, relinquished and/or abandoned any purported claim for relief against Loop Industries regarding the matters which are the subject of the Complaint.

**TENTH AFFIRMATIVE DEFENSE**

(Equitable Estoppel)

Plaintiffs' purported claims are barred by the doctrine of equitable estoppel.

**ELEVENTH AFFIRMATIVE DEFENSE**

(Unclean Hands)

Plaintiffs' purported claims are barred by the doctrine of unclean hands.

**TWELFTH AFFIRMATIVE DEFENSE**

(Laches)

The doctrine of laches bars Plaintiffs' claims.

**THIRTEENTH AFFIRMATIVE DEFENSE**

(Unjust Enrichment)

An award to Plaintiffs would unjustly enrich the Plaintiffs.

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1 **FOURTEENTH AFFIRMATIVE DEFENSE**

2 (Failure to Mitigate)

3 Plaintiffs' claims are barred or reduced because they have failed to mitigate their  
4 purported damages, if any.

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6 WHEREFORE, Loop Industries requests the court dismiss the Complaint with prejudice,  
7 enter judgment in its favor and against Plaintiffs, award Loop Industries its reasonable attorney  
8 fees, costs, and expenses, and grant it any proper further legal and equitable relief.  
9

10  
11 Dated: June 7, 2017

WHITE & CASE LLP

12 By: 

13 Mark E. Gustafson  
14 Attorneys for Defendant  
15 Loop Industries, Inc.  
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05/08/2017

**PROOF OF SERVICE**

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 555 South Flower Street, Suite 2700, Los Angeles, CA 90071-2433. I am employed by a member of the Bar of this Court at whose direction the service was made.

On June 7, 2017, I served the foregoing document(s) described as **LOOP INDUSTRIES, INC.'S ANSWER TO FIRST AMENDED COMPLAINT** on the person(s) below, as follows:

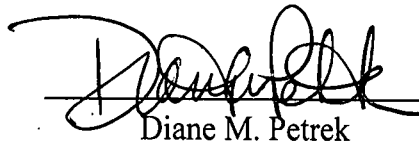
Michael R. Matthias, Esq. Attorneys for Plaintiffs  
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(BY MAIL) I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the address(es) listed above and placed the envelope for collection and mailing at White & Case LLP, Los Angeles, California, following our ordinary business practices. I am readily familiar with White & Case LLP's practice for collection and processing of correspondence for mailing with the United States Postal Service. Under that practice, the correspondence would be deposited in the United States Postal Service on that same day in the ordinary course of business.

(BY OVERNIGHT DELIVERY) I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed to the person(s) at the address(es) listed above. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier, or delivered it to an authorized courier or driver authorized by the carrier to receive documents, with delivery fees paid.

Executed June 7, 2017, at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

  
Diane M. Petrek

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